

**Govan Mbeki Municipality**  
**Annexures to the Financial statements**

**Annexure "A": Statutory Funds, Reserves, Trust Funds and Provisions**

	Balance 01/ 07/ 2002	Contributions	Transactions during the year		Balance 30/ 06/ 2003
			Interest	Other Income	Expended
<b>Statutory Funds</b>					
Capital development fund	79,214,619			3,447,145	(6,717,783)
Land trust Fund	66,173,613			510,644	(3,007,946)
Bursary Loan fund	969,423	330,000			(30,181)
Insurance fund	681,296	528,221		118,595	(566,638)
Endowment fund	493,916			9,704	(861)
Housing development fund	487,846				
Community Facilities fund	2,532,785				
Loan Redemption fund	5,935,223				
	156,488,721	858,221	-	4,086,088	(10,323,409)
<b>Reserves</b>					
Capital Reserve fund	1,364,796			319,513	(215,702)
Accumulated Leave fund	(268,221)	2,372,544		982,793	(2,148,157)
Loss of Rental	745,779				
Maintenance Reserve fund	4,872,393			335,220	(341,267)
Tariff Stabilisation Reserve	1,384,734			49,854	
Income Reserve User services	49,854				(49,854)
Working Capital reserve	3,553,335	2,000,000		2,354,965	(3,586,955)
Asset Renewal Reserve	28,601				(28,601)
Maintenance Reserve fund Vehicles	2,511,376				
	14,242,647	4,372,544		4,042,345	(6,370,536)
<b>Trust Funds</b>					
Grants Public and Government	1,967,613		32,356,860		(30,359,524)
	1,967,613		32,356,860	-	(30,359,524)
<b>Provisions</b>					
Recreation	8,561				8,561
Library	29,123				29,123
Festival	29,659				29,659
Audit Fees	725,419				
Bad debts	55,998,034	9,000,000			13,820,285
	56,790,796	9,000,000			13,887,628

**Annexure "B "**

**External Loans and internal Advances**

			Balance 30/ 06/ 2002	sactions in the year Loans obtaine Loans Paid	Balance 30/ 06/ 2003
<b>External Loans</b>					
<b>Local stock issued</b>					
	Redeemable				
Loan 4 R10,000 @ 12.55%	31/ 12/ 2002		10,000	10,000	-
Loan 14 R3,275,000 @ 13.55%	31/ 12/ 2002		3,275,000	3,275,000	-
Loan 15 R2,725,000 @ 13.55%	31/ 12/ 2002		2,725,000	2,725,000	-
Loan 19 R122,000 @ 16.65%	30/ 06/ 2005		122,000		122,000
Loan 15 R50,000 @ 13.80%	30/ 06/ 2003		50,000	50,000	-
Leandra stock	30/ 06/ 2001				-
			6,182,000	6,060,000	122,000
<b>Annuity loans</b>					
DBSA Secunda	Six monthly		722,743	193,492	529,251
DBSA Bethal	Six monthly		558,909	324,046	234,863
DBSA Leandra	Six monthly		255,176	35,126	220,050
			1,536,828	552,664	984,164
<b>Long-term secured loans</b>					
INCA Secunda	30/ 06/ 2011		29,500,000		29,500,000
INCA Secunda	30/ 06/ 2011		40,000,000		40,000,000
INCA Secunda	30/ 06/ 2011		500,000		500,000
INCA Bethal	Monthly	6,000,000		1,275,662	4,724,338
DBSA Bethal	Six monthly	34,027	926,480	45,949	914,558
DBSA Bethal	Six monthly	122,097	3,126,326	160,797	3,087,626
DBSA Bethal	Six monthly	13,129	336,168	17,016	332,281
DBSA Bethal	Six monthly	39,286	1,005,919	48,372	996,833
DBSA Bethal	Six monthly	22,657	580,156	29,366	573,447
ABSA Corporate services		3,000,000		128,619	2,871,381
			75,975,049	9,231,196	83,500,464
<b>Total External Loans</b>					
			83,693,877	9,231,196	84,606,628
<b>Internal Advances to borrowing services</b>					
Consolidated Loans Fund			62,475,169	9,570,282	58,009,941
Capital Development Fund			16,978,931	177,412	14,784,868
Endowment Fund			29,334	29,334	-
Land Trust Fund			64,268	64,268	-
			79,454,100	9,747,694	72,794,809

**Annexure "C "Analyses of Fixed Assets**

		Budget	Balance	Transactions in the year		Balance
					Disposed /	
2001/ 2002	Department/ Service	2002/ 2003	01/ 07/ 2002	Expenditure	Written-off/ Transferred	30/ 06/ 2003
<b>Expenditure</b>						
6,890,698	<b>Rates and General services</b>		306,860,096	13,668,781	446,100	320,082,777
3,266,022	<b>Community Services</b>		79,854,139	1,006,526	409,510	80,451,155
	Civil Defence		138,176			138,176
	Safety and Loss control		53,069			53,069
	Traffic services		2,549,220			2,549,220
	Health Seives		1,875,518			1,875,518
3,129,449	Public works		58,567,701	42,863	409,510	58,201,054
1,770	Mechanical Workshop		693,332			693,332
	Financial services		3,950,433	235,039		4,185,472
87,282	Corporate Services		1,850,641	90,198		1,940,839
	Council General		9,998,245	638,426		10,636,671
47,521	Municipal Manager		177,804			177,804
2,878,550	<b>Subsidised Services</b>		101,909,480	87,042	-	101,996,522
703,372	Fire Brigade Services		9,204,318			9,204,318
	Health clinics		882,876	4,549		887,425
1,428,134	Lapas		8,968,229	37,848		9,006,077
120,508	Parks and Recreation		15,075,639			15,075,639
	Nursery		797,256	44,645		841,901
	Cemetaries		492,087			492,087
	Theatre		6,651,062			6,651,062
	Libraries		9,866,897			9,866,897
626,536	Public Buildings		49,971,116			49,971,116

746,126	<b>Economical Services</b>	64,829,129	11,900,421	-	76,729,550
	Official Housing	1,461,334			1,461,334
	Vehicle Registration and Licensing	1,342,599	506,594		1,849,193
	Refuse Services	14,705,367			14,705,367
746,126	Sewerage	46,816,944	11,393,827		58,210,771
	Stores	95,885			95,885
	Parking meters	407,000			407,000
	<b>Housing Services</b>	60,267,348	674,792	36,590	60,905,550
	Economic Sheme	60,134,610			60,134,610
	Sub-economic scheme	132,738	674,792	36,590	770,940
9,603,245	<b>Trading services</b>	147,443,686	11,173,318	-	158,617,004
	Abattior	3,771,365			3,771,365
8,817,457	Electricity	101,897,571	10,347,138		112,244,709
785,788	Water	41,774,750	826,180		42,600,930
16,493,943	<b>Sub-total</b>	454,303,782	24,842,099	446,100	478,699,781
	<b>Other</b>	57,173,695	1,299,641	3,439,827	55,033,509
	Township development	<b>53,451,966</b>	<b>663,837</b>		<b>54,115,803</b>
	Work-in-progress	<b>281,902</b>	<b>635,804</b>		<b>917,706</b>
	Work-in- progress Grants (601-609)	<b>3,439,827</b>		<b>3,439,827</b>	<b>-</b>
16,493,943	<b>Gross fixed Assets</b>	511,477,477	26,141,740	3,885,927	533,733,290
	<b>Less Loans redeemed and other capital receipts</b>	383,276,634	34,366,059	-	417,642,693
	Loans Redeemed	113,057,804	9,144,287		122,202,091
	Contribution operating income	12,658,542	2,724,895		15,383,437
	Grants	168,609,132	22,496,877		191,106,009
	General capital	55,482,959			55,482,959
	Capital reserves	33,468,197			33,468,197
	<b>Nett. Fixed Assets</b>	128,200,843	(8,224,319)	(3,885,927)	116,090,597

### Annexure "D "Analyses of operating Income and Expenditure

Actual 2001/2002		Actual 2002/2003	Budget 2002/2003
<b>Operating Income</b>			
14,488,445	Government and Provincial	18,915,583	18,473,000
2,480,710	Grants and subsidies	1,246,767	3,460,748
79,724,975	Assessment Rates	446,687	398,117
214,029,737	Services Rendered	314,849,427	311,860,155
	Interest	3,424	30,000
<u>310,723,867</u>		<u>335,461,888</u>	<u>334,222,020</u>
<b>Operating expenditure</b>			
109,786,231	Salaries , Allowances and subsidies	113,387,525	121,376,202
187,962,216	General expenditure	212,075,245	212,234,867
4,879,242	Repairs and maintenance	4,932,711	6,380,450
9,992,258	Interest and redemption	16,460,779	15,435,656
97,015	Contribution to fixed assets	367,634	2,650,000
30,150,539	Contribution to Funds and reserves	13,767,837	16,202,183
<u>342,867,501</u>	<b>Gross expenditure</b>	<u>360,991,731</u>	<u>374,279,358</u>
35,478,932	Less charged elsewhere	40,076,522	40,127,285
<u>307,388,569</u>	Nett Expenditure	<u>320,915,209</u>	<u>334,152,073</u>
3,335,298	<b>Surplus/ (deficit) for the year</b>	<b>14,546,679</b>	<b>69,947</b>
<u>310,723,867</u>		<u>335,461,888</u>	<u>334,222,020</u>

**Annexure "E" Detailed Income and Expenditure statement**

Actual Income	2001/ 2002		Actual Surplus/ (Deficit)	Department/ Service	Actual Income	2002/ 2003		Actual Surplus/ (Deficit)	Budgeted Surplus/ (Deficit)
	Actual Expenditure	Actual Expenditure				Actual Expenditure	Actual Expenditure		
R	R	R			R	R	R		R
157,825,322	163,787,164	(5,961,842)		<b>Rates and general services</b>	173,086,409	170,211,441	2,874,968		(14,361,317)
108,669,036	92,037,550	16,631,486		Community Services	118,205,949	81,190,737	37,015,212		27,513,769
79,724,975		79,724,975		Assessment rates	82,470,705	1,320,696	81,150,009		79,928,626
375	48,620	(48,245)		Safety and loss control		55,359	(55,359)		(380,589)
1,222,162	10,598,627	(9,376,465)		Public safety	2,259,520	12,638,156	(10,378,636)		(11,068,366)
2,738,841	7,954,321	(5,215,480)		Health services	1,557,496	8,720,187	(7,162,691)		(4,817,109)
273,313	4,923,847	(4,650,534)		Management Human resources	306,447	5,465,817	(5,159,370)		(3,972,455)
511,942	21,632,456	(21,120,514)		Public works	331,654	22,659,957	(22,328,303)		(27,008,399)
75	1,807,821	(1,807,746)		Mechanical workshop		1,635,110	(1,635,110)		(1,935,449)
24,150,156	35,269,203	(11,119,047)		Finance	31,024,759	18,355,325	12,669,434		9,102,738
4,138	666,637	(662,499)		Corporate services	209,496	2,739,234	(2,529,738)		(4,249,390)
43,059	6,886,271	(6,843,212)		Council general	45,872	6,025,859	(5,979,987)		(6,757,719)
	2,249,747	(2,249,747)		Municipal manager		1,575,037	(1,575,037)		(1,328,119)
2,921,464	28,220,953	(25,299,489)		<b>Subsidised Services</b>	2,335,337	30,184,938	(27,849,601)		(29,978,727)
77,822	5,836,373	(5,758,551)		Fire Brigade	48,823	6,134,283	(6,085,460)		(6,153,436)
561,404	2,651,885	(2,090,481)		Lapas	569,974	2,869,578	(2,299,604)		(3,189,699)
	10,852,910	(10,852,910)		Parks and recreation	3,798	11,405,705	(11,401,907)		(13,308,448)
86,071	1,384,118	(1,298,047)		Theatre	167,821	1,562,881	(1,395,060)		(1,433,757)
226,574	1,556,105	(1,329,531)		Cemetries	259,379	1,574,202	(1,314,823)		(1,252,006)
80,280	4,038,350	(3,958,070)		Libraries	94,413	4,956,617	(4,862,204)		(5,696,684)
1,889,313	1,901,212	(11,899)		Public buildings	1,191,129	1,681,672	(490,543)		1,055,303

45,719,074	39,993,522	5,725,552	<b>Economic services</b>	51,989,835	55,098,305	(3,108,470)	(8,202,329)
6,244,853	3,181,688	3,063,165	Registration and licensing	5,229,830	3,858,935	1,370,895	1,172,884
19,599,322	18,609,984	989,338	Cleansing services	21,147,441	19,854,260	1,293,181	(163,711)
19,874,899	18,201,850	1,673,049	Sewerage	25,612,564	31,385,110	(5,772,546)	(9,211,502)
<b>Housing services</b>							
515,748	3,535,139	(3,019,391)	Housing services	555,288	3,737,461	(3,182,173)	(3,694,030)
152,898,545	143,601,405	9,297,140	<b>Trading Services</b>	162,375,478	150,703,767	11,671,711	14,312,761
100,939,057	92,136,859	8,802,198	Electricity	106,025,082	118,645,418	(12,620,336)	(21,973,510)
51,959,488	51,464,546	494,942	Water	56,350,396	32,058,349	24,292,047	36,286,271
310,723,867	307,388,569	3,335,298	<b>Total</b>	335,461,887	320,915,208	14,546,679	(48,556)
Appropriations for the year							
20,626,341		18,130,264	(refer to note 17)	(4,345,020)			
(2,496,077)							
18,130,264		21,465,562	Nett surplus / ( deficit) for the year	10,201,659			
5,132,392 Accumulated surplus/							
(deficit) at the beginning of the year				26,597,954			
Accumulated surplus/ (deficit)							
26,597,954 at the end of the year				36,799,613			

**Govan Mbeki Municipality**  
**Balance Sheet at 30 June 2003**

	<b>Note</b>	<b>2002/2003</b>	<b>2001/2002</b>
<b>Capital Employed</b>			
<b>Funds and Reserves</b>			
Statutory Funds	1	151,109,621	156,488,721
Reserves	2	16,287,000	14,242,647
Retained Surplus/ (Accumulated deficit)	17	36,799,613	26,597,954
Trust Funds	3	3,964,949	1,967,613
Long-term liabilities	4	84,606,628	83,693,876
Consumer deposits services	12	6,720,417	6,109,360
		<b>299,488,228</b>	<b>289,100,171</b>
<b>Employment of Capital</b>			
Fixed Assets	5	116,090,598	128,200,845
Investments	6	57,022,267	50,545,115
Long-term debtors	7	47,806,074	50,505,518
Deferred charges	10	16,986,025	16,993,970
		<b>237,904,964</b>	<b>246,245,448</b>
<b>Net Current Assets/(Liabilities)</b>		<b>61,583,265</b>	<b>42,854,723</b>
<b>Current assets</b>		<b>136,906,541</b>	<b>132,087,575</b>
Stock and Material	8	2,016,381	2,784,832
Debtors	9	134,872,525	129,285,158
Short term portion of long-term debtors			
Cash on hand/ Bank	22	17,635	17,585
<b>Current liabilities</b>		<b>(75,323,276)</b>	<b>(89,232,852)</b>
Creditors	11	(48,681,291)	(68,099,568)
Short-term portion of long-term liabilities	11		
Provisions	12	(725,419)	(792,762)
Bank overdraft	22	(25,916,566)	(20,340,522)
		<b>299,488,229</b>	<b>289,100,171</b>

**Govan Mbeki Municipality**  
**Cash Flow statement for the year ended 30 June 2003**

		<b>2002/2003</b>	<b>2001/2002</b>
		R	R
Cash retained from operating activities		11,950,257	15,037,448
Cash generated by operations	18	46,529,625	28,180,031
Investment Income	16	8,114,526	(6,065,513)
Increase/ (decrease) in operating Capital	19	(32,027,306)	(1,235,034)
		22,616,845	20,879,484
Plus: External Interest Paid	16	13,536,045	11,127,119
Cash available from operations		36,152,890	32,006,603
<b>Cash Contributions:</b>			
Grants Public and government		(25,289,421)	(16,969,155)
<b>Net proceeds on the disposal of fixed assets</b>		1,086,788	
<b>Investments in fixed assets</b>		(22,701,913)	(16,353,722)
Net Cash Flow		(10,751,656)	(1,316,274)
<b>Cash Effects of Financing activities</b>			
Increase/ (decrease) in long-term loans	20	1,301,590	(288,286)
Increase/ (decrease) in Short term loans	20	-	(1,111,726)
(Increase)/ Decrease in Cash investments	21	(6,477,152)	(500,290)
(Increase)/ Decrease in Cash	22	(5,576,094)	3,216,575
Net cash (generated) utilised		(10,751,656)	1,316,273

**Govan Mbeki Municipality**  
**Balance Sheet at 30 June 2003**

	<b>Note</b>	<b>2002/2003</b>	<b>2001/2002</b>
<b>Capital Employed</b>			
<b>Funds and Reserves</b>			
Statutory Funds	1	151,109,621	156,488,721
Reserves	2	16,287,000	14,242,647
Retained Surplus/ (Accumulated deficit)	17	36,799,613	26,597,954
Trust Funds	3	3,964,949	1,967,613
Long-term liabilities	4	84,606,628	83,693,876
Consumer deposits services	12	6,720,417	6,109,360
		<b>299,488,228</b>	<b>289,100,171</b>
<b>Employment of Capital</b>			
Fixed Assets	5	116,090,598	128,200,845
Investments	6	57,022,267	50,545,115
Long-term debtors	7	47,806,074	50,505,518
Deferred charges	10	16,986,025	16,993,970
		<b>237,904,964</b>	<b>246,245,448</b>
<b>Net Current Assets/(Liabilities)</b>		<b>61,583,265</b>	<b>42,854,723</b>
<b>Current assets</b>		<b>136,906,541</b>	<b>132,087,575</b>
Stock and Material	8	2,016,381	2,784,832
Debtors	9	134,872,525	129,285,158
Short term portion of long-term debtors			
Cash on hand/ Bank	22	17,635	17,585
<b>Current liabilities</b>		<b>(75,323,276)</b>	<b>(89,232,852)</b>
Creditors	11	(48,681,291)	(68,099,568)
Short-term portion of long-term liabilities	11		
Provisions	12	(725,419)	(792,762)
Bank overdraft	22	(25,916,566)	(20,340,522)
		<b>299,488,229</b>	<b>289,100,171</b>

**Govan Mbeki Municipality**  
**Balance Sheet at 30 June 2003**

	<b>Note</b>	<b>2002/2003</b>	<b>2001/2002</b>
<b>Capital Employed</b>			
<b>Funds and Reserves</b>			
Statutory Funds	1	151,109,621	156,488,721
Reserves	2	16,287,000	14,242,647
Retained Surplus/ (Accumulated deficit)	17	36,799,613	26,597,954
Trust Funds	3	3,964,949	1,967,613
Long-term liabilities	4	84,606,628	83,693,876
Consumer deposits services	12	6,720,417	6,109,360
		<b>299,488,228</b>	<b>289,100,171</b>
<b>Employment of Capital</b>			
Fixed Assets	5	116,090,598	128,200,845
Investments	6	57,022,267	50,545,115
Long-term debtors	7	47,806,074	50,505,518
Deferred charges	10	16,986,025	16,993,970
		<b>237,904,964</b>	<b>246,245,448</b>
<b>Net Current Assets/(Liabilities)</b>		<b>61,583,265</b>	<b>42,854,723</b>
<b>Current assets</b>		<b>136,906,541</b>	<b>132,087,575</b>
Stock and Material	8	2,016,381	2,784,832
Debtors	9	134,872,525	129,285,158
Short term portion of long-term debtors			
Cash on hand/ Bank	22	17,635	17,585
<b>Current liabilities</b>		<b>(75,323,276)</b>	<b>(89,232,852)</b>
Creditors	11	(48,681,291)	(68,099,568)
Short-term portion of long-term liabilities	11		
Provisions	12	(725,419)	(792,762)
Bank overdraft	22	(25,916,566)	(20,340,522)
		<b>299,488,229</b>	<b>289,100,171</b>

**Income statement for the year ended 30 June 2003**

2001/ 2002			Services	2002/ 2003			
Actual Income	Actual Expenditure	Actual surplus/ (deficit)		Actual Income	Actual Expenditure	Actual Surplus/ (deficit)	Budget Surplus/ (Deficit)
			<b>Rates and general</b>				
108,669,038	92,037,551	16,631,487	Community Services	118,205,949	81,190,737	37,015,212	27,513,769
2,921,465	28,220,953	(25,299,488)	Subsidised Services	2,335,337	30,184,938	(27,849,601)	(31,034,030)
45,719,075	39,993,521	5,725,554	Economical services	51,989,835	55,098,305	(3,108,470)	2,064,476
<u>157,309,578</u>	<u>160,252,025</u>	<u>(2,942,447)</u>		<u>172,531,121</u>	<u>166,473,980</u>	<u>6,057,141</u>	<u>(1,455,785)</u>
515,748	3,535,139	(3,019,391)	Housing services	555,288	3,737,461	(3,182,173)	(3,694,030)
<u>152,898,541</u>	<u>143,601,405</u>	<u>9,297,136</u>	Trading Services	<u>162,375,478</u>	<u>150,703,767</u>	<u>11,671,711</u>	<u>5,101,258</u>
<u>310,723,867</u>	<u>307,388,569</u>	<u>3,335,299</u>	<b>Total</b>	<u>335,461,887</u>	<u>320,915,208</u>	<u>14,546,679</u>	<u>(48,557)</u>

**Appropriations for the year**

20,626,341	18,130,264	Refer note 17	(4,345,022)
<u>(2,496,077)</u>			
18,130,264	<u>21,465,563</u>	Net Surplus/ (Deficit)	<u>10,201,657</u>
	5,132,391	Unappropriated surplus/ (Deficit) Beginning of year	26,597,954
	<u>26,597,954</u>	Unappropriated Surplus/ (Deficit) end of year	<u>36,799,611</u>

**Govan Mbeki Municipality**  
**Cash Flow statement for the year ended 30 June 2003**

		<b>2002/2003</b>	<b>2001/2002</b>	
		R	R	
Cash retained from operating activities		11,950,257	15,037,448	
Cash generated by operations	18	46,529,625	28,180,031	
Investment Income	16	8,114,526	(6,065,513)	
Increase/ (decrease) in operating Capital	19	(32,027,306)	(1,235,034)	
		22,616,845	20,879,484	
Plus: External Interest Paid	16	9,247 13,536,045	11,127,119	
Cash available from operations		36,152,890	32,006,603	
<b>Cash Contributions:</b>				
Grants Public and government		(25,289,421)	(16,969,155)	
<b>Net proceeds on the disposal of fixed assets</b>		1,086,788		
<b>Investments in fixed assets</b>		(22,701,913)	(16,353,722)	22,496,877
Net Cash Flow		(10,751,656)	(1,316,274)	635,804
<b>Cash Effects of Financing activities</b>				367,634
Increase/ (decrease) in long-term loans	20	1,301,590	(288,286)	23,500,315
Increase/ (decrease) in Short term loans	20	-	(1,111,726)	
(Increase)/ Decrease in Cash investments	21	(6,477,152)	(500,290)	1,426,006
(Increase)/ Decrease in Cash	22	(5,576,094)	3,216,575	2,013,821
Net cash (generated) utilised		(10,751,656)	1,316,273	3,439,827

**Govan Mbeki Municipality**  
**Notes to the Financial Statements at 30 June 2003**

23,500,315  
(22,701,913)  
798,402

	<u>2002/2003</u>	<u>2001/2002</u>
	R	R
<b>1. Statutory Funds</b>		
Capital development fund	75,943,981	79,214,619
Land trust Fund	63,676,311	66,173,613
Bursary Loan fund	1,269,242	969,423
Insurance fund	761,474	681,296
Endowment fund	502,759	493,916
Housing development fund	487,846	487,846
Community Facilities fund	2,532,785	2,532,785
Loan Redemption fund	5,935,223	5,935,223
	<u>151,109,621</u>	<u>156,488,721</u>
<b>2. Reserves</b>		
Capital Reserve fund	1,468,607	1,364,796
Accumulated Leave fund	938,959	(268,221)
Loss of Rental	745,779	745,779
Maintenance Reserve fund	4,866,346	4,872,393
Tariff Stabilisation Reserve	1,434,588	1,384,734
Income Reserve User services		49,854
Working Capital reserve	4,321,345	3,553,335
Asset Renewal Reserve		28,601
Maintenance Reserve fund Vehicles	2,511,376	2,511,376
	<u>16,287,000</u>	<u>14,242,647</u>
<b>3. Trust Funds</b>		
Revolving Fund		
Grants Public and Government	3,964,949	1,967,613
	<u>3,964,949</u>	<u>1,967,613</u>

	R	R
<b>4. Long-term Liabilities</b>		
Local Registered Municipal Stock	122,000	6,182,000
Annuity Loans DBSA	984,164	1,536,828
Absa Bank	2,871,381	
INCA and DBSA	80,629,083	75,975,048
	<u>84,606,628</u>	<u>83,693,876</u>
Less: Short term obligations transferred	<u>-</u>	<u>8,068,112</u>
Local Registered stock		6,612,000
Annuity Loans		827,625
DBSA		628,487
	<u>84,606,628</u>	<u>75,625,764</u>

Refer to annexure B for further detail regarding long-term liabilities.

Local Registered Municipal stock interest accrued varies between 13.8% and 16.35%.

Annuity Loans Interest accrued varies between 9.75% and 17.10%.

#### 5. Fixed Assets

Fixed assets at the beginning of the year	454,303,782	440,816,605
Fixed assets acquired during the year	24,842,099	16,462,676
Less: Assets written-off/ sold during the year	<u>(446,100)</u>	<u>(2,975,499)</u>
	478,699,781	454,303,782
Work-in-progress	917,706	3,721,729
<b>Sub-total assets</b>	<u>479,617,487</u>	<u>458,025,511</u>
Land Trust Fund/ Township development	54,115,803	53,451,967
	<u>533,733,290</u>	<u>511,477,478</u>
Less: loans redeemed and other capital receipts	<u>417,642,693</u>	<u>383,276,634</u>
	<u>116,090,597</u>	<u>128,200,844</u>

Refer to annexure C for additional information.

**6. Investments**

Fixed deposit 9070131319	54,309	242,491
Call account Bethal	638,089	935,693
Rand Merchant Bank	1,063,176	921,141
Rand Merchant Bank	7,269,579	6,298,402
Promissory note ABSA Corporate Bank	30,082,723	25,096,478
Nedbank	10,532,771	9,457,622
INCA	5,951,943	5,768,981
ABSA 9101318133	383,377	
Old Mutual	25,000	25,000
Allied (Transferred to ABSA with amalgamation)	4,773	4,773
SANLAM Policy	100,837	100,837
Old mutual Policy	100,480	100,480
Momentum Policy	281,251	906,814
ABSA 3074384195	189,958	172,123
Old Mutual Shares ( 34400 @ R14.95/ R10)	344,000	514,280
	<u>57,022,266</u>	<u>50,545,115</u>

**7. Long-term debtors**

Vehicle loans		52
Bursary loans	350,052	231,022
Sale of land	182,748	217,430
Debtors Loan Accounts	<u>47,273,274</u>	<u>50,057,014</u>
	47,806,074	50,505,518
Less: Short-term portion transferred to C.A.	<u>47,806,074</u>	<u>50,505,518</u>

**8. Inventory**

Inventory represents consumable stores. Stock and issues are valued at the average cost of commodities purchased.

	<u>2,016,381</u>	<u>2,784,832</u>
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**9. Debtors**

Debtors User services	175,212,226	149,109,096
Less: Provision for bad debts	(51,177,749)	(55,998,034)
	<u>124,034,477</u>	<u>93,111,062</u>
Other	10,659,778	36,010,326
Deposits	178,270	163,270
	<u>134,872,525</u>	<u>129,284,658</u>

**10. Deferred Costs**

	R	R
Establishment costs Township development	<u>16,986,024</u>	<u>16,993,970</u>

**11. Provisions**

Recreation		8,561
Audit fees	725,419	725,419
Library Items		29,123
Other		29,659
	<u>725,419</u>	<u>792,762</u>

**12. Creditors**

Trade creditors	17,524,394	24,665,990
Receipts in advance	2,104,342	
Deposits sundry	938,782	838,791
SARS	6,617,185	10,834,534
Other	21,496,589	31,759,752
	<u>48,681,292</u>	<u>68,099,067</u>
<b>Consumer deposits</b>	<u>6,720,417</u>	<u>6,109,360</u>

**13. Property Rates****Valuation on land and improvements**

Residential  
Commercial  
Governmental  
Municipal  
Agricultural

Land		Improvements	
2002/ 2003	2001/ 2002	2002/ 2003	2001/ 2002
382,513,311	323,512,661	2,259,591,298	
86,680,029	95,969,650	483,665,380	
18,485,850	5,057,050	183,457,700	
198,450	35,877,203	184,500	
27,839,280	14,153,400	58,641,120	
515,716,920	474,569,964	2,985,539,998	
57,443,861	52,324,904		
19,656,756	24,218,503		
4,256,408	1,069,106		
7,076	163,916		
919,019	1,780,330		
82,283,120	79,556,759		

**Assessment rates**

Residential  
Commercial  
Governmental  
Municipal  
Agricultural

**Applicable Tariffs**

Residential  
Commercial  
Governmental  
Municipal  
Agricultural

C/ R	C/ R
0.102	0.0094
0.204	0.0073
0.204	0.0122
0.102	0.0094

The valuation of properties in the jurisdictional area of the municipality is performed in accordance with the property Rating Ordinance (11/ 1977 ) Valuations were last performed in 1994. With the amalgamation of Secunda, Bethal and Leandra Transitional Local Municipalities, valuations were called for and have not yet been completed. A rebate of 40% is granted to owners of residential properties, and a further 40% to pensioners or any other person who may qualify for the additional 40% in accordance with Council Policy on the subject.

**14. Councillor Remuneration**

	2002/ 2003	2001/ 2002
	R	R
Executive Mayor ( Full Time)	302,451	279,893
Speaker ( Full Time)	250,427	232,166
Members of Executive Committee( 6 Full time)	1,424,537	1,321,409
Part tme councillors (53)	4,021,376	3,689,336
Pension fund contributions	577,363	529,692
	<u>6,576,154</u>	<u>6,052,496</u>

**15. Auditors remuneration**

Provision	<u>725,419</u>	<u>725,419</u>
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**16.Finance Transactions**

External interest earned	8,087,428	8,114,527	4,949,558	13,757,995
External interest paid	27,099	13,536,045	11,127,119	(231,197)
	<u>8,114,527</u>	<u>5,421,518</u>	<u>6,177,561</u>	<u>13,526,798</u>

**Capital costs charged to operating account****External**

Interest			2,572,237	
Redemption		102,871	7,420,021	13,286,155
		<u>102,871</u>	<u>9,992,258</u>	<u>4,142</u>

**Internal**

Interest (CLF and CDF)	clf	5,687,716	7,041,624		
Redemption	cdf	1,353,908	9,144,932		
		<u>7,041,624</u>	<u>16,186,556</u>	16,460,779	

**17. Appropriations**

Accumulated surplus(deficit) at the beginning	6,851,738	R	16,563,650	R
Operating surplus/ (deficit) for the year	2,190,323	26,597,954	(16,186,556)	5,132,391
Appropriations for the year:	<u>102,871</u>	28,249,223	377,094	31,335,299
	<u>9,144,932</u>			
Contributions to funds,reserves and provisions		(13,702,544)		(28,000,000)
Prior year adjustments		(4,345,020)		18,130,264
		<u>36,799,613</u>		<u>26,597,954</u>

**18. Cash generated by operations**

Operating Surplus/ (Deficit) for the year	14,546,679	3,335,299	
Adjustments in respect of previous years operations	(4,345,020)	18,130,264	
<b>Appropriations charged against income:</b>	13,702,544	28,000,000	
Provision for bad debts	9,000,000	28,000,000	13,702,544
Reserves	4,372,544		(13,767,837)
Bursary Fund	330,000		(65,293)

R

R

**Capital charges**

	16,185,912	9,992,258	
Interest	5,687,716	7,041,624	4,659,392.88
Redemption of loans	1,353,908	9,144,288	401,418.00
	7,041,624		952,490.00

**Non operating expenditure charged to:**

	5,463,376	1,962,570	6,013,300.88
Accrued Funds	3,338,484	142,900	
Trust funds	959,528	1,019,514	
Reserves	1,165,364	798,759	
Provisions		1,397	

**Non-operating income charged to reserves/Funds**

	976,134		
	46,529,625	61,420,391	

**Grants and subsidies received**

	(25,289,421)	(16,969,155)	
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**19. Increase/(decrease) in operating capital**

(increase)/ Decrease in inventory	768,451	(875,538)	
(Increase)/ Decrease debtors	25,322,155	(25,337,155)	(22,948,591)
Increase/ (Decrease) Creditors	15,000	(7,458,602)	(6,522,633)
	25,337,155	(32,027,306)	(30,346,762)

**20. Increase/( decrease) in long-term Loans**

Loans obtained	3,722,906	1,540,014	
Loans redeemed	(2,421,316)	(140,000)	
	1,301,590	1,400,014	

**21. (Increase)/decrease in cash investments**

Invested amounts	(16,018,056)	(8,227,422)	
------------------	--------------	-------------	--

Investments realised	7,912,793	8,745,061	7,727,132
	8,105,266	(7,272,995)	(500,290)
Loss on Investments	16,018,059	795,843	
		(6,477,152)	(500,290)
<b>22.( Increase)/decrease in cash on hand</b>	9,540,904		
Cash on hand at beginning of year	(795,843)	(20,340,522)	(17,124,206)
Cash on hand at end of year	8,745,061	(25,916,566)	(20,340,522)
		(5,576,044)	(3,216,316)
<b>Petty cash</b>		(50)	
		(5,576,094)	

### 23. Retirement Benefits

Employees and Councillors are members of the Municipal Pension Fund, Municipal Provident Fund, the Municipal Annual Gratuity Fund and Municipal Pension Fund for Councillors.

### 24. Capital Obligations

	R	R
Obligations regarding uncompleted capital projects		
Approved		30,000,000
Completed		
Uncompleted		
Financing of Capital Expenditure		
External and Government Grants		30,000,000

### 25 Conditional Liabilities and obligations

Leave Reserve for employees	938,960
The obligation for accumulated leave pay as evaluated by management amounts to R 9.1m. The reserve for accumulated leave is to be at least 50% of the obligation to employees.	

## 26. Consolidated Loans and Capital Development Fund

### Consolidated Loans Fund

Accumulated Funds	159,951,255	164,485,126
External	84,606,627	83,693,876
Internal	75,344,628	80,791,250
Advanced to Services	58,009,941	62,475,169
Invested Externally	57,022,266	50,545,116
Advanced to operating activities	44,919,049	51,464,841
	<u>159,951,256</u>	<u>164,485,126</u>

### Capital Development Fund

Accumulated Funds	R 75,943,981	R 79,230,863
<b>Utilisation of funds</b>		
Advanced to services	14,784,868	13,827,084
Invested internally Consolidated Loans Fund	61,159,113	65,403,779
	<u>75,943,981</u>	<u>79,230,863</u>

**Note: For more information in respect of the consolidated loans fund refer to Annexure "B".**



(10,415,458.65)
(14,606,729.64)
4,392,704.06
182.93
2,960.30
(20,626,341.00)
20,626,341.00
<hr/>
-
<hr/>

1,721,457  
(1,426,006)  
295,451

1,277,584  
24,200,319  

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25,477,903  

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(3,439,827)

22,038,076
(22,701,913)
<hr/>
(663,837)
<hr/>

45,470
319,847
298,520
<hr/>
663,837
<hr/>

281,902	441,098,507	
3,439,827	(281,902)	
3,721,729	440,816,605	
	2,253,432	
259,171,716.00	48,368,682	#####
57,593,578.00	2,829,853	#####
	53,451,967	
48,084,166.00	45,999,355.00	

2,298,902  
48,688,529  
3,128,373  
54,115,804

46,747
35,940,172
<hr/>
35,986,919
141,356,098
7,752,998
<hr/>
149,109,096
(55,998,034)
<hr/>
93,111,062

39,516,289.00	397,472.00
398,472.00	57,306,167.00
39,914,761.00	57,703,639.00



	Annexure 8	
	14,410	LTF
	12,689	BLF
Difference	<u>27,099</u>	

Annexure 4  
Interest Late pay

	4,887,520		
	35,126		
	1,192,679		
	499,645		
35,126	210,765		
102,871	26,003		
840,333	6,851,738		
4,887,520	840,333		
2,084,811	892,132		
752,829	253,184		
414,794	204,029		
26,003	2,189,678		
9,144,287		7,438,599.98	16,460,779
7,041,624	102,871	9,144,287.00	102,871
16,185,911		16,582,886.98	16,563,650
(16,460,779)	9,144,287	(16,563,650.00)	
(274,868)		19,236.98	